



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

### **MINUTES January 12, 2009 4:30 P.M. Council Chambers**

#### **COUNCIL MEMBERS PRESENT:**

V. Spencer, S. Marmarou, S. Fuhs, D. Sterner, M. Baez, M. Goodman-Hinnershitz

#### **OTHERS IN ATTENDANCE:**

L. Kelleher, S. Katzenmoyer, C. Younger, C. Kanezo, L. Lee, A. Giorgione, R. Hottenstein, D. Vind, T. McMahon, J. Losty, S. Flaherty

Vaughn Spencer, President of Council, called the Committee of the Whole meeting to order at 4:37 p.m.

#### **I. Reading Parking Authority – Public, Private Partnership**

Mr. Spencer gave a background on this issue. He noted the recent work in Harrisburg on this issue. He noted his work to begin discussions with the Reading Parking Authority. He noted that this presentation is to open discussion for Council and the Administration.

Mr. Lee stated that the Parking Authority recognizes the City's financial situation. He noted that they have approached RBC Capital. He noted that the presentation is for information only and that no decisions have been made by the Parking Authority.

Mr. Spencer noted that it was not his intent to keep the discussions undisclosed. He noted his hope that the Parking Authority feels comfortable with this option before bringing it forward.

Mayor McMahon noted that he was disconcerted that he was not informed prior to the presentation. Mr. Lee noted that this presentation is to bring everyone together to begin discussions. He noted that the Parking Authority has done very preliminary work and that they are investigating many options.

Mr. Spencer noted that when he questioned the Administration about this issue in June, he was told that it was not a feasible option. Mayor McMahon also noted that the Administration is looking at many options. Mr. Spencer countered that all issues should be explored together.

Jim Losty, of RBC Capital, explained his involvement in the Harrisburg venture. He described public, private partnerships and noted his hope to get all parties involved at the beginning of the process to alleviate concerns.

Mr. Losty presented RBC Capital's preliminary predictions and gave an overview of the process. He explained that in order for this to be attractive to a private entity, the lease would need to be for a minimum of 50 – 75 years. He noted his work to study the feasibility of this option for Reading.

Ms. Goodman-Hinnershitz noted that a review of all options with all City authorities needs to be completed.

Mayor McMahon noted the need for the parking rates to remain competitive to entice more businesses to move downtown.

Mr. Marmarou questioned if any other cities in the region have used this option. Mr. Losty noted that they had not. He explained that this option is only feasible if there are more than 5,000 spaces available.

Mr. Marmarou questioned how many people were employed by the Parking Authority. Mr. Lee stated that there are approximately 20 full time, approximately 20 part time and approximately 20 seasonal employees.

Mr. Fuhs questioned if the City would receive payment at the beginning of the agreement or over time. Mr. Losty noted that all payments would be made at the beginning of the agreement.

Mr. Sterner questioned the responsibility of the City in an agreement such as this. He further questioned the consequences to the private entity if the facilities are not maintained. Mr. Losty noted that the Parking Authority would enforce the agreement. He noted that if facilities are not maintained according to the agreement that it could be pursued as a breach of contract and the City would have its assets returned. He also noted that the Parking Authority would set the rates and would have the ability to add facilities as needed.

Mr. Sterner questioned what would occur at the end of the agreement. Mr. Losty noted that the agreement could be renegotiated or the assets could revert back to the City.

Ms. Goodman-Hinnershitz stated that this was a presentation of one option available. She noted her hope that other options would be presented. She questioned the number of parking spaces used by government and non-profit agencies. She noted a rate increase would greatly affect these agencies.

Mr. Sterner questioned the fee to the City for the services of RBC Capital. Mr. Losty noted that it would be 2% of the agreement amount.

Mr. Lee stated that the Parking Authority is not prepared to move forward with this option at this time. He again stated that this was to begin discussions. He noted that a payment up front would change the recurring revenue flow to the City for the term of the lease. He noted the Parking Authority will continue to work with the City for other potential financial options.

Mr. Hottenstein questioned if the enterprise value stated included the 25% uplift. Mr. Losty noted that it did.

Mr. Hottenstein questioned if the revenue amounts are based on gross or net revenue and include enforcement. Mr. Lee indicated that it was based on gross revenue and included enforcement.

Mr. Sterner expressed his thanks and noted that all options should be reviewed. He requested Mr. Lee's input on this and other options.

Mr. Spencer noted that the 2010 budget issues require the examination of all options. He noted the need to begin discussions early.

Ms. Goodman-Hinnershitz noted that this presentation was a good first step.

## **II. Executive Session**

Council entered executive session at 6:13 pm to discuss litigation. Council exited executive session at 6:32 pm

## **III. Other Business**

Mr. Hottenstein responded to an inquiry regarding a \$1 million payment to the City by the Water Authority. Mr. Hottenstein reported that the Water Authority reimburses the City for operating expenses. He noted that an amount is determined during the annual audit.

Mr. Spencer indicated that this is not a full payment as the City has transferred money from a Water Authority account without the Water Authority's knowledge. Mr. Hottenstein indicated that this situation is being addressed.

Mr. Spencer reported that he has been speaking with members of the Water Authority regarding the School District paying for water.

Ms. Goodman-Hinnershitz suggested examining the 1984 agreement and make modifications.

Mr. Spencer noted that the most important issue is knowing the water usage in the District buildings. He noted that Recreation is still using District buildings.

Mayor McMahon stated that the District may work to conserve more water if they are required to pay for their usage. Mr. Spencer noted the need to continue discussions.

Mr. Sterner stated his belief that December 2009 is too long a time period to have the installation of the meters complete. Mr. Spencer indicated that the Executive Director of the Water Authority feels this is a feasible time frame, as some buildings cannot be accessed until the summer break.

Mr. Fuhs noted that the same taxpayers may be paying for water regardless of this agreement but felt the money should be put in the correct pocket. He stated that the City should be receiving payment during this financial crisis and needs the increase in revenue.

Ms. Goodman-Hinnershitz stated her belief that an “us versus them” attitude is short sighted and that the City overall should be working to assist families. She stated that she no longer feels the agreement is balanced and that it should be re-examined.

Mr. Hottenstein noted that from a financial standpoint it is better to pay for what you use. He noted that barter and trade decreases accountability.

Mr. Spencer noted that City buildings do not have meters and makes no payment to the Water Authority. Mr. Hottenstein reported that the City is installing meters on its properties.

#### **IV. Planned Residential Development**

Mr. Spencer noted the perceived problems with the hearing mailing. He stated that some Councilors believe that the mailing was not sent to a wide enough area.

Mr. Fuhs noted the concern of some for the many delays with this issue. However, he felt that the notice of the hearing should have been sent to a wider area. He suggested mailing to those within the area and those within one block of the area. He noted the need for another hearing.

Mr. Younger stated that another hearing is necessary as the area was not posted as required by the Municipal Planning Code.

Ms. Goodman-Hinnershitz noted that the area was posted for the rezoning of portions of Neversink Mountain.

Mayor McMahon noted the problems that increased traffic will cause in the area. He noted that the more people coming together to discuss the PRD the better the results.

Mr. Younger suggested keeping to the legal requirement only to be consistent with other zoning amendments. The ad in the newspaper and the posting of the area suffices for informing area residents.

## **V. Agenda Review**

Mr. Spencer noted that there was one resolution to be passed as well as consent agenda resolutions.

Ms. Kelleher requested amending the agenda to add another ordinance for introduction dealing with sidewalk vendors.

The meeting adjourned at 7:05 pm.

Respectfully Submitted

By: \_\_\_\_\_  
Linda A. Kelleher, City Clerk